JT Group
2024 Second-Quarter Results

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*Please be reminded that the figures shown on these slides may differ from those shown in the financial statements as they are intended to facilitate the reader's understanding of individual businesses.

*For details of each term, please refer to annotations on slide 17.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may”, “will”, “should”, “would”, “expect”, “intend”, “project”, “plan”, “aim”, “seek”, “target”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

1. increase in awareness of health concerns related to smoking;
2. regulatory developments; including, without limitation, tax increases and restrictions on sales, marketing, packaging, labeling and use of tobacco products, privately imposed restrictions and governmental investigations;
3. litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products;
4. our ability to further diversify our business beyond the traditional tobacco industry;
5. our ability to successfully expand internationally and make investments outside Japan;
6. competition, changing consumer preferences and behavior;
7. our ability to manage impacts derived from business diversification or business expansion;
8. economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;
9. fluctuations in foreign exchange rates and the costs of raw materials; and
10. catastrophes, including natural disasters.

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2024 Six-Month Results

2024 Second-Quarter Consolidated Results: Continued revenue and profit growth driven by the Tobacco business

(JPY BN)	2024 Jan-Jun	vs. 2023
At constant FX		
Core revenue	1,422.4	+6.2%
AOP	454.8	+2.7%
Reported		
Revenue	1,569.9	+12.7%
AOP	453.1	+2.3%
Operating profit	432.7	+4.6%
Profit	305.2	+6.3%
FCF	179.8	+24.9 BN

Note: The results for fiscal year 2023 and fiscal year 2024 on a reported basis have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The results for fiscal year 2023 and fiscal year 2024 on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets.

Revenue and AOP [1)]

- Revenue grew, mainly driven by solid pricing contributions in the tobacco business, more than offsetting declines in the pharmaceutical business
- AOP growth was fueled by both tobacco and processed food businesses, more than offsetting a decline in the pharmaceutical business

Forex (Tobacco business)

- Unfavorable impact on AOP driven by depreciation of emerging market currencies and appreciation of cost-related currencies more than offsetting the positive impact of a weaker JPY

Operating profit

- Increase driven by AOP growth as well as reduced amortization of trademark rights among adjusted items

Profit

- Increase driven by operating profit growth as well as lower financial costs

FCF

- Increase driven by profit growth as well as improved working capital

[1)] AOP=Adjusted operating profit

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Tobacco Business Volume Performance: Continued share gains drove volume momentum

(BnU)	2024 Jan-Jun	vs. 2023
Total volume	274.9	+2.0%
Combustibles	269.6	+1.7%
GFB	200.2	+4.0%
RRP	5.2	+25.5%

Combustibles

- On-going market share momentum across the footprint
- GFB volume grew by 4.0% fueled by Winston and Camel
- Strong volume growth in the EMA cluster
  - Strong momentum in emerging markets
  - Resilient industry volume overall
  - Continued growth in Global Travel Retail, mainly in Asia
- Continued combustibles industry volume decline in Japan, the Philippines, and the UK

RRP

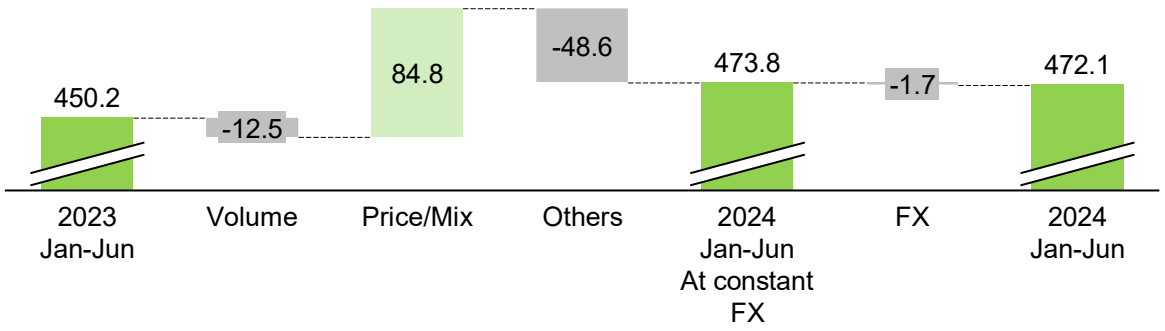
- Continued HTS segment share gains in Japan
- Volume contribution from Ploom geo-expansion, mainly in WE cluster

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Tobacco Business Financial Performance: Pricing fueled top line growth

(JPY BN)	2024 Jan-Jun	vs. 2023
Core revenue	1,391.8	+14.3%
at constant FX	1,303.9	+7.1%
AOP	472.1	+4.9%
at constant FX	473.8	+5.3%

Roadmap of AOP variance (JPY BN)



Note: The results for fiscal year 2023 and fiscal year 2024 on a reported basis have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The results for fiscal year 2023 and fiscal year 2024 on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets.

Volume

- Total volume growth is offset by an unfavorable geographic mix resulting in a negative financial contribution

Price/Mix

- Continued positive variance driven by pricing benefits in multiple markets, more than off-setting the impact of negative product mix due to downtrading

Others

- Incremental investments towards HTS
- On-going inflationary pressure on supply chain costs

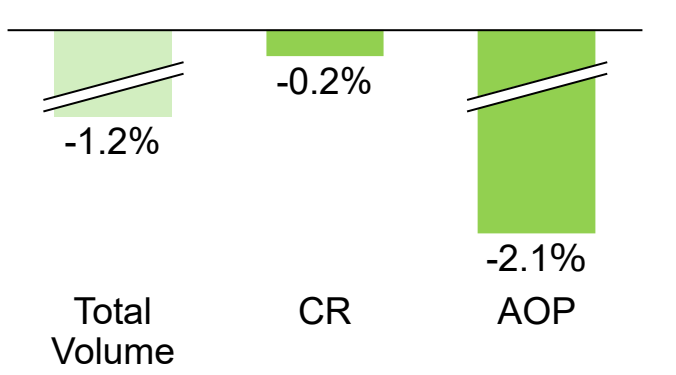
Forex

- Unfavorable impact on AOP driven by depreciation of emerging market currencies and appreciation of cost-related currencies more than offsetting the positive impact of a weaker JPY

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Tobacco Business Results by Cluster

ASIA



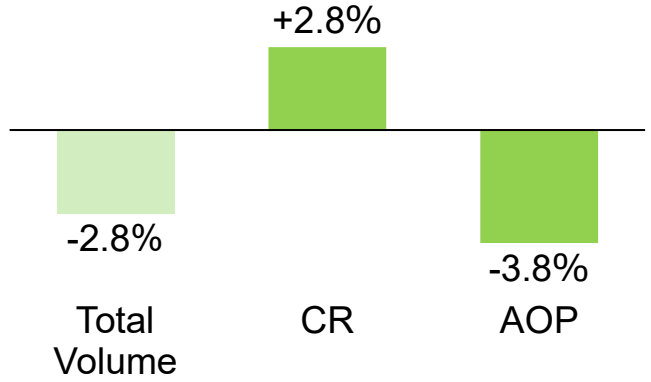
Total Volume

- Market share gains in the Philippines and Taiwan
- Ploom volume growth in Japan
- Lower combustibles industry volume in Japan, the Philippines and Taiwan

CR/AOP

- Pricing contribution in several markets, offset by the negative volume contribution
- Higher input costs in the supply chain

WESTERN EUROPE



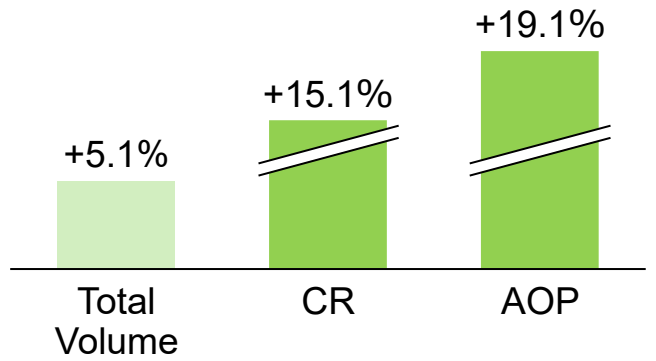
Total Volume

- Market share gains in several markets, notably Italy
- Positive volume contribution from geo-expansion of Ploom
- Lower combustibles industry volume, mainly in the UK

CR/AOP

- Pricing contribution, mainly the UK, offset the negative volume contribution
- Investments towards Ploom geo-expansion
- Higher input costs in the supply chain

EMA



Total Volume

- Market share gains in many markets
- Global Travel Retail volume growth mainly in Asia
- Limited decline in industry volume

CR/AOP

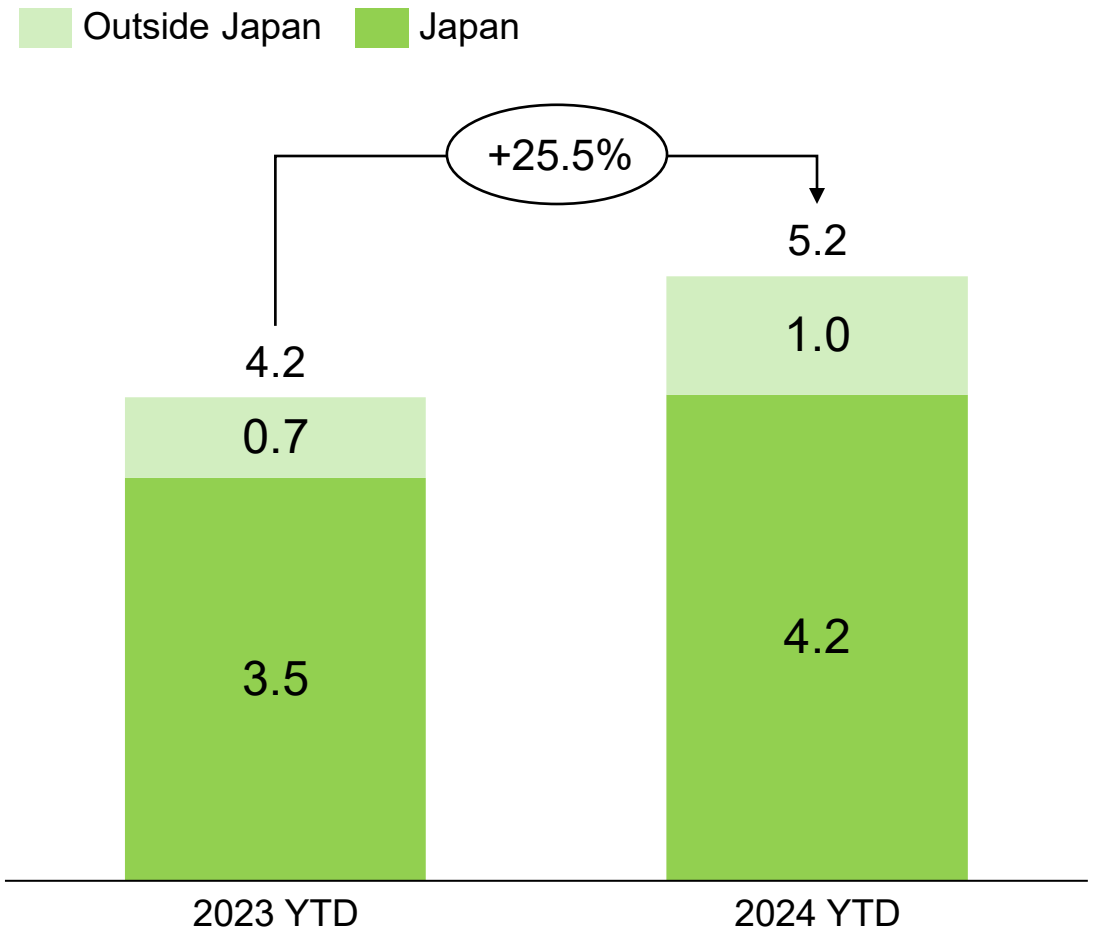
- Positive volume contribution
- Pricing contribution in several markets
- Investments towards Ploom geo-expansion
- Higher input costs in the supply chain

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*All data on this slide refer to Jan-Jun 2024 vs. PY at constant FX

Tobacco Business RRP volume: Steady volume growth in launched markets

RRP volume, BnU

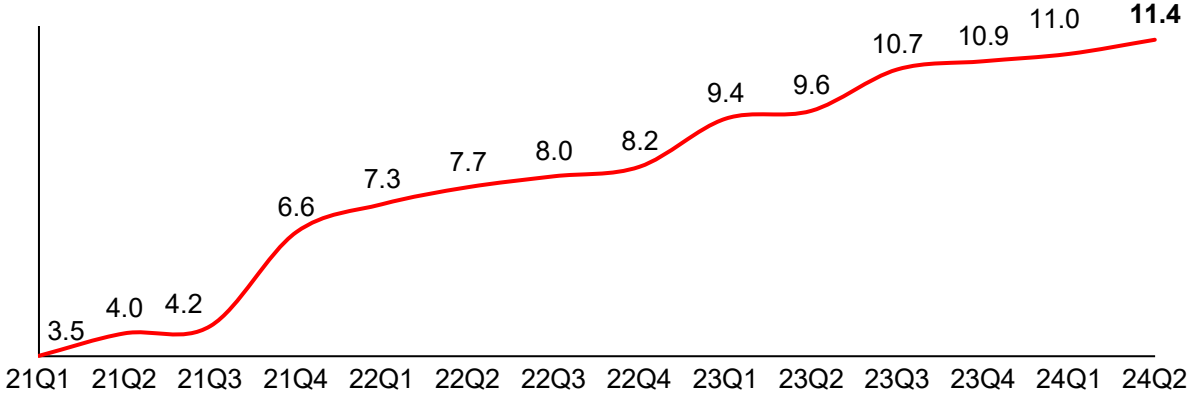


- Ploom is now available in 21 markets
  - Steady increase in RRP volume in overseas markets, supported by geo-expansion
- RRP volume increased driven by continuous consumer and trade marketing activation
  - In Japan, Ploom volume increased by approx. 36% exceeding HTS market growth rate
  - Positive consumer feedback from launched markets for both device and heated tobacco sticks
- RRP-related revenue increased by approx. 29% year-on-year, driven by Ploom volume growth

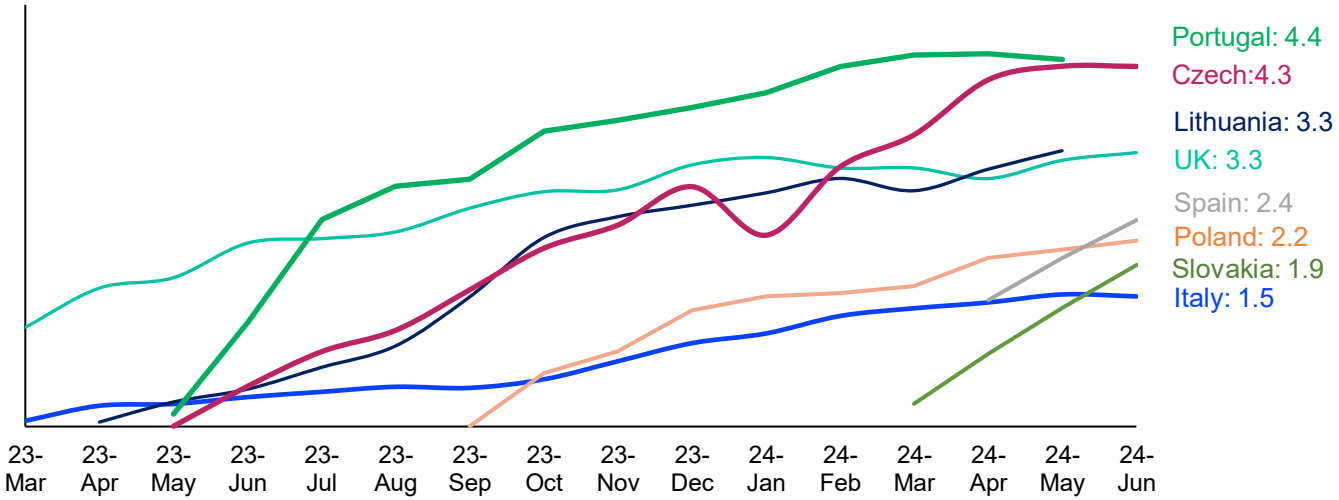
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Tobacco Business Ploom global overview: Solid HTS segment share growth continued

Ploom SoS in HTS[1) 2)]



[1)] QTD basis for Japan



[2)] SoS in launch area for the markets excl. Japan

Japan

- Increase in Ploom awareness through effective promotion and marketing activities. June'24 SoS reached 11.5%

Outside Japan

- Continued market share expansion in launched markets
  - Slovakia: 1.9% (Launched in March)
  - Spain: 2.4% (Launched in April)

- HTS share of segment estimated at 8.2%[3)] as of June'24. On track towards 2028 ambitions to reach mid-teen HTS segment share

[3)] Estimated HTS SoS calculated based on the data of Czech Republic, Greece, Italy, Japan, Poland, Romania, Slovenia, and the UK

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Pharmaceutical and Processed Food Businesses Financial Results

Pharmaceutical Business

(JPY BN)	2024 Jan-Jun	vs. 2023 variance
Revenue	**44.1**	-3.6
AOP	**4.0**	-6.1

Revenue

- Decrease mainly due to absence of one-time compensation gains from licensed compounds received in 2023, despite sales growth in the area of skin diseases and allergens at our consolidated subsidiary, Torii Pharmaceutical

AOP

- Decrease due to higher R&D expenses and the unfavorable comparison from the non-recurring compensation gains in 2023

Processed Food Business

(JPY BN)	2024 Jan-Jun	vs. 2023 variance
Revenue	**73.8**	+0.4
AOP	**4.4**	+1.4

Revenue

- Same level as previous year, driven by price revisions, despite the impact of decrease in sales of household products and discontinuation of some products due to portfolio optimization

AOP

- Increase following price revisions more than offsetting higher raw material cost

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Full-year Revised Forecasts

2024 Consolidated Revised Forecasts

(JPY BN)	FY2024 Revised forecasts	vs. Initial forecasts	vs. 2023
At constant FX			
Core revenue	**2,856.0**	+20.0	+4.7%
AOP	**745.0**	+17.0	+2.3%
Reported			
Revenue	**3,109.0**	+93.0	+9.4%
AOP	**710.0**	+22.0	-2.5%
Operating profit	**660.0**	+12.0	-1.8%
Profit	**475.0**	+20.0	-1.5%
FCF	**376.0**	+16.0	-67.7 BN

Note: The forecasts for fiscal year 2024 on a reported basis shown above have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The forecasts on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased in the first half of 2024 due to hyperinflation in certain markets.

Revenue and AOP — **Revised upward, both at constant FX and reported**

- **Revenue:**
  - Revised upward in all business segments
  - Favorable foreign exchange impact driven by weaker JPY
- **AOP:**
  - Revised upward to reflect improved revenue
  - Unfavorable foreign exchange impact is anticipated to ease

Operating profit and Profit — **Revised upward**

- **Operating profit:** Revised upward driven by AOP revision more than offsetting the higher cost in adjusted items
- **Profit:** Revised upward due to revision of operating profit coupled with lower financial costs

FCF — **+16.0 BN vs. the initial forecasts**

- Revised upward due to AOP revision and improved working capital more than off-setting the capital expenditure increase

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Tobacco Business: Financials Forecasts Revised Upward

Volume

	FY2024 Revised forecast	Initial forecast
Total volume	Unchanged	A decrease of -1.0% to -0.5% vs. 2023

Financials

(JPY BN)	FY2024 Revised forecasts	vs. Initial forecasts	vs. 2023
Core revenue	2,747.0	+112.0	+10.8%
at constant FX	2,605.0	+15.0	+5.1%
AOP	755.0	+30.0	+0.7%
at constant FX	790.0	+25.0	+5.4%

Note: The forecasts for fiscal year 2024 on a reported basis shown above have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The forecasts on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased in the first half of 2024 due to hyperinflation in certain markets.

Volume assumption

Unchanged vs. initial forecast

(+) Market share gains in combustibles

(+) RRP volume growth, fueled by Ploom

(-) Combustibles industry volume contraction in some key markets, namely in the Philippines and the UK

Financials constant FX basis

Core revenue: +15.0 BN vs. the initial forecast

AOP: +25.0 BN vs. the initial forecast

(+) Reflecting strong pricing contribution in the first half

(+) RRP revenue growth, driven by RRP volume growth

(-) Unfavorable geographic mix driven by volume decrease mainly in Japan and the UK

(+) Contained cost increases

(-) Incremental investment towards Ploom

Financials reported basis

Core revenue: +112.0 BN vs. the initial forecast

AOP: +30.0 BN vs. the initial forecast

- Unfavorable foreign exchange impact is anticipated to ease compared to the initial forecast driven by weaker JPY
  (initial forecast: -40 JPY BN, revised forecast: -35 JPY BN)

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Pharmaceutical and Processed Food Businesses Revised Forecasts

Pharmaceutical Business

(JPY BN)	FY2024 Revised forecasts	vs. Initial forecasts	vs. 2023 (abs)
Revenue	**93.0**	+4.5	-1.9
AOP	**7.0**	+3.0	-10.4

Revenue **+4.5 BN vs. the initial forecast**

- Upward revision at Torii Pharmaceutical and increase in overseas royalty income due to JPY depreciation

AOP **+3.0 BN vs. the initial forecast**

- Upward revision of revenue and SG&A management at Torii Pharmaceutical

Processed Food Business

(JPY BN)	FY2024 Revised forecasts	vs. Initial forecasts	vs. 2023 (abs)
Revenue	**156.5**	+0.5	+2.6
AOP	**7.0**	-	+0.2

Revenue **+0.5 BN vs. the initial forecast**

- Upward revision driven by sales growth in the seasoning business

AOP **Unchanged vs. the initial forecast**

- Upward revision of revenue is offset by unfavorable foreign exchange

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Closing remarks

Closing remarks

2024 Jan-Jun results

- Strong top-line growth driven by solid pricing contributions in the tobacco business
- Accelerated RRP contribution in both volume and revenue
- Robust performance of the processed food business supporting the overall profit growth

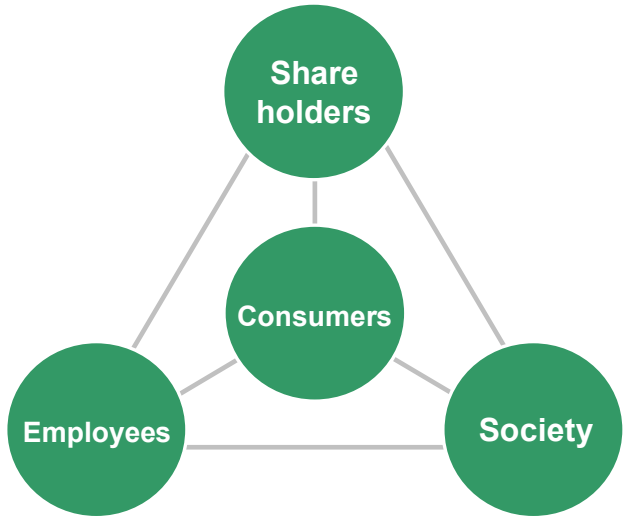
2024 full-year revised forecasts

- Upward revision of consolidated AOP at constant FX, reflecting robust first half results in the tobacco business
- Upward revision of reported financials, reflecting strong business momentum as well as weaker JPY

Shareholder returns

- Proposed annual dividend per share remains unchanged: JPY 194
- Interim dividend per share: JPY 97

Fulfilling Moments,
Enriching Life



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＜Definitions＞

Adjusted operating profit(AOP)：	Operating profit + amortization cost of acquired intangibles arising from business acquisitions + adjusted items (income and costs)* * Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
~at constant FX：	Constant FX is computed using the same foreign exchange rates as in the equivalent period in the previous fiscal year for the tobacco business. Results at constant FX are provided additionally and are not an alternative to financial reporting under International Financial Reporting Standards (IFRS).
Core revenue at constant FX：	The sum of revenues in the pharmaceutical business, processed food business, and others, as well as the core revenue in the tobacco business, which is computed using the same foreign exchange rates as in the equivalent period in the previous fiscal year. Results at constant FX are provided additionally and are not an alternative to financial reporting under International Financial Reporting Standards (IFRS).
Profit:：	Profit attributable to owners of the parent company
Reduced-Risk Products (RRP)：	Products with the potential to reduce the risks associated with smoking. In JT's portfolio, these products include heated tobacco sticks (HTS), infused-tobacco capsules (Infused), E-Vapor and Oral.
Heated tobacco sticks (HTS)：	High temperature heated tobacco products. One stick is equivalent to a stick of cigarettes.
Combustibles：	Combustibles include all tobacco products excluding contract manufactured products, waterpipe, heated tobacco products, oral and E-Vapor.
GFB： (Global Flagship Brands)	Global Flagship Brands: Winston, Camel, MEVIUS and LD (4 brands)

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＜Definitions＞

Total volume：	The volume of tobacco-based products which excludes contract-manufactured products, waterpipe, RRP devices and related accessories.
Combustibles volume：	The shipment volume of combustibles which excludes contract-manufactured products, snus, waterpipe, heated tobacco products and E-Vapor.
RRP volume：	Reduced-Risk Products (RRP) volume in cigarette-stick equivalent. This excludes RRP devices, RRP related accessories, etc.
Ploom volume：	Sales volume of Ploom heated tobacco sticks (HTS). This excludes Ploom devices, Ploom related accessories, etc.
Core revenue：	Core revenue includes all revenue, excluding those from distribution, contract manufacturing and other peripheral businesses.

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